



March 5, 2010

**Appropriations Committee Public Hearing on the
SB 355 – An Act Concerning Capital Improvements Required by the DDS
And**

→ SB 357 – An Act Concerning Reductions to State Contracts

**Alyssa Goduti, Vice President for Public Policy,
Connecticut Community Providers Association (CCPA)**

Good evening. I am Alyssa Goduti, Vice President for Public Policy at the Connecticut Community Providers Association (CCPA). CCPA represents organizations that provide services and supports for people with disabilities and significant needs including children and adults with substance use disorders, mental illness, developmental, and physical disabilities.

Our members provide vital human services to hundreds of thousands of individuals across the state. We provide essential human services that keep people out of emergency rooms, hospitals, emergency shelters and prisons. Our work plays a vital role by serving as the safety net for many of our state's most vulnerable citizens. We'd like to comment today on SB 355, regarding capital improvements for DDS Community Living Arrangements and SB 357, regarding contract reductions.

SB 355 would help to alleviate some of the fiscal constraints placed on residential providers who run Community Living Arrangements (group homes) for people with developmental disabilities by allowing them to regain reimbursements for capital improvements required by DDS. The Department of Social Services pays the room and board portion of costs for community living arrangements. Historically DSS has reimbursed providers for capital improvement projects needed to assure the health and safety of clients. However, recent budgets included a rate cap and now rate freeze on room and board rates. This means that not only are providers struggling to provide food, heat and basic necessities at rates that don't come close to meeting costs, but there is no mechanism to fund capital improvement projects. These projects such as roof and

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window repairs, are vital to maintaining quality of life for individuals living in these group homes. This bill would help allow capital improvement projects to be completed outside of the rate cap. We support this legislation and recommend that the committee extend the timeframes past FY11 and look to expand the exemption to other types of providers.

We'd also like to comment on SB 357, An Act Concerning Reductions to State Contracts. We support the concept of flexibility of budgeting within a provider organization, outlined in this bill. However, we have major concerns about the impact of any funding reduction on the community provider system. The system has been dramatically underfunded for more than 25 years. As the Medical Consumer Price Index has grown by over 201 %, the funding to cover costs of services for community providers has only increased 33%. That is an average funding increase of 1%, while staffing costs (wages and insurance) and the costs to run residential and clinical services (including food and fuel) have gone up exponentially. Community providers run lean agencies and have cut their administrative costs to the bare bone. Any attempt to reduce funding for community providers will result in a reduction of services. We recommend that this bill includes the ability to work with state agencies on a plan to reduce services in light of funding cuts.

We appreciate your time and interest in these very important issues.